

DESCRIPTION OF CAPITAL IMPROVEMENT PROGRAM

FISCAL YEARS 2001 - 2005

The Capital Improvement Program (CIP) contains the budgeted and proposed capital improvements by project description, proposed funding source, and scheduled costs. The CIP is a planning and financial tool for the City to prepare for future needs. The City's CIP is broken into two parts. The first part covers the proposed capital improvements in the General Fund. The second covers those improvements in the Water and Sewer Fund. A brief narrative is provided for each proposed project. Following the narratives, a detailed CIP schedule for each fund is presented.

General Fund CIP

The following projects have been proposed over the next five years in the General Fund. Funding has been provided for the FY2000-01 projects in the budget.

City Office Building: Planned improvements include furnishing the newly completed training room in Human Resources and the remodeling of the building's stairwell. Future plans include an exterior cleaning and weatherproofing, in addition to completing the installation of energy-efficient windows and doors.

Impact on Operations: There will be no impact on operations.

Police Headquarters: The headquarters of the Police Department will undergo a facilities assessment to determine the most effective and efficient method of renovation. Future improvements include a practice firing range for the officers.

Impact on Operations: Until the assessment is complete, the impact on operations cannot be determined.

The Plaza: Planned is the replacement of exterior awnings and other cosmetic improvements. Future outlay shown is preventive maintenance and replacement.

Impact on Operations: There will be no impact on operations.

HVAC Repairs to Various Facilities: The City is continuing repair and replacement of outdated HVAC systems.

Impact on Operations: There will be no impact on operations.

Roof Repairs to Fire Department: Based on a study of the state of roofs for various City-owned facilities, funding is recommended to continue to bring the roofs up to a satisfactory level. For FY2000-01, funding is provided to repair a roof in a facility used by the Fire Department.

Impact on Operations: There will be no impact on operations.

Remodel Bathrooms at Fire Station 53: During FY1996-97, the heating system was replaced which impacted the bathroom area at this station. The ductwork and furnace are now exposed. Additionally, this area was constructed in the 1950's in a style that does not assure privacy for today's firefighters.

Impact on Operations: There will be no impact on operations.

Public Services Department – Overall: *The City will contract with a facilities specialist in FY2000-01 to review all of the buildings used in the Public Services Department. Divisions within this Department include Fleet Management, Transit, Street, Waste Management, Landscaping, Traffic Operations, and Cemetery. Listed this year are estimates of expenditures based on departmental requests. Future capital expenditures will be based on the results of the independent review. At the completion of the review, the impact on operations will be assessed.*

Public Services-Fleet Management Facility: An overhead crane and other equipment are necessary due to the growth of the City and the City's fleet. The crane will assist Fleet personnel in lifting and moving pieces of

heavy equipment. For FY2001-02, the Fleet building will need an upfit based on the results of the facilities study.

Impact on Operations: *There will be no impact on operations.*

Public Services–Street Division - Equipment/Materials Storage: The City has an old landfill that is used for storage of materials such as compost, dirt, road salt, and sand. Storage facilities are needed to keep these materials dry and allow for continuation of work projects regardless of weather conditions. Additionally, a secure facility is needed to house various pieces of equipment.

Impact on Operations: *There will be no impact on operations.*

Public Services–Cemetery Division - Building Improvements: Painting of the Chapel and the installation of new garage doors have been approved in FY2000-01 to improve the cemetery facilities.

Impact on Operations: *There will be no impact on operations.*

Public Services–Landscape Operations - Equipment Storage: Current equipment storage is inadequate. For longevity of equipment, it is best to store the equipment out of the elements. The proposed storage area will house the larger tractors and will enhance the functionality of the remaining area. In addition, a storage area with an irrigation system is needed for planting materials.

Impact on Operations: *The impact will be minimal, but the City will incur additional costs for use of water in the irrigation system.*

Public Services–Traffic Operations – Area Enclosure: By enclosing the area between the two Traffic Operations buildings, leasing of storage trailers would be eliminated and an area for repair/office space would be provided.

Impact on Operations: *The City will save \$800 annually by not leasing storage trailers, but most of the savings will be offset by additional heating and cooling costs.*

Salisbury Community Park and Athletic Complex: The City plans on issuing \$1,000,000 in lease/purchase financing. \$600,000 of the proceeds will be used to construct a concession and restroom facility at the Community Park as well as to provide for shelters and playground structures.

Impact on Operations: *Will increase debt service approximately \$57,000 annually. The staffing to maintain the facilities is already in place.*

Salisbury West Recreation Complex: The needs of the citizens of Salisbury warrant a new recreational facility in the west area of town. Estimates for the construction costs are approximately \$400,000 with the funding from lease/purchase financing. Components of the construction would be the Hall Gym renovation, parking lot renovation/expansion, gym/fitness room and classroom equipment.

Impact on Operations: *Will increase debt service approximately \$38,000 annually.*

Various Parks and Recreation Renovations: Funding is recommended to continue improving the state of the parks and replace old and worn equipment and facilities.

Impact on Operations: *There will be no impact on operations. A constant amount of funding is appropriated annually to improve and renovate park equipment and facilities.*

Civic Center Parking Lot: There are currently more than 10 events annually which draw crowds that exceed the parking capacity, as well as public meetings. Additional parking would also allow for program opportunities that cannot be provided due to lack of parking space.

Impact on Operations: *There will be no impact on operations.*

Sports Complex Renovation: Due to the age and condition of this facility, a major renovation is needed to repair the fields and buildings. The fields need to be properly graded to promote adequate drainage, then reseeded.

Impact on Operations: *There will be no impact on operations.*

Construct New Fire Station: This station is needed to protect the growth around the Salisbury Mall/Highway 70 area.

Impact on Operations: *The greatest impact of the CIP on General Fund operations will be in the construction and staffing of the new fire station. Currently, the estimated additional personnel, operations and debt service costs will be approximately \$826,000 annually.*

Impact on Operations in General Fund – *Most capital improvements will not have a major impact on the operating costs of the General Fund except for the staffing and operations of a new fire station. A constant amount of funding is set aside in the General Fund Budget for improvements to upgrade aging and inadequate offices and buildings.*

Debt service requirements for the lease/purchase financing for the construction, improvements, and/or renovations at the Community Park and Athletic Complex and the Salisbury West Recreation Complex is shown in the Debt Management Program section of this document.

Water and Sewer Fund CIP

The Water and Sewer Fund's CIP is broken into water projects and sewer projects. The following water projects have been proposed over the next five years. Funding has been provided for the FY2000-01 projects in the budget.

Water Line Repair and Replacement: Each year, the City budgets funds to repair and replace our aging water distribution system. Actual projects are identified and prioritized annually.

Water Line Extensions: Each year the City budgets funds to extend water lines in accordance with the Water/Sewer Extension Policy. Actual projects are identified and prioritized annually.

Water Treatment Plant Upgrade: Our current water treatment plant is over forty years old. Repairs and improvements are needed in order to ensure compliance with regulations and reliability of supply. In FY1999-2000, the City completed the majority of the projects in Phase 1, which included filter rehabilitation, an emergency generator, new filter valves and controllers, and clearwell baffles. For FY2000-01, a new finished water pump and electrical switchgear is scheduled. These and future improvements will ensure our ability to meet all current and proposed federal/state standards.

Raw Water Force Main and Gravity Lines: Our aging raw water supply system must be upgraded in order to ensure that water can be reliably conveyed to the Water Plant Treatment Plant. The first phase will include an upgrade of the manifold at the Yadkin River Pump Station to allow an increase in pumping capacity from 12 million gallons per day (MGD) up to 24 MGD and the installation of a new 42" force main from the Yadkin River Pump Station to the reservoirs. The second phase includes the installation of a new 30" gravity line from the reservoirs to the Water Treatment Plant. The upgrading of the lines in size will also allow for the proposed expansion of the Water Treatment Plant to 18 MGD.

Finished Water Line to China Grove: The City is currently supplying the Town of China Grove with bulk sales of wastewater treatment. The installation of a finished water line would allow the sale of water to the town as well as increase customer base.

Water Line Extension to Rockwell: The consolidation of the Rockwell water distribution system with the Salisbury Utilities system has resulted in the Utilities Department operating and maintaining the 10 deep wells that supply drinking water to Rockwell. Existing wells do not have adequate capacity to supply future demand, therefore it will be necessary to extend a 12-inch water line from the end of the Salisbury distribution system in Granite Quarry along Highway 52 to Rockwell.

The following sewer projects have been proposed over the next five years.

Sewer Line Repair and Replacement: Each year, the City budgets funds to repair and replace our aging sewer collection system. Actual projects are identified and prioritized annually.

Sewer Line Extensions: Each year, the City budgets funds to extend sewer lines in accordance with the Water/Sewer Extension Policy. Actual projects are identified and prioritized annually.

Grant Creek and Town Creek WWTP Upgrade: The State of North Carolina is not proposing nutrient limits as part of the basinwide management plan. Therefore, it is possible that we could operate the two existing WWTPs for an additional 10 to 15 years before a new combined WWTP would have to be built. In order to operate the aging facilities for that length of time and maintain compliance, it will be necessary to replace and upgrade existing equipment and consider the construction of additional clarifiers and tertiary treatment such as sand filters.

Laboratory Expansion/Maintenance Building: This project consists of the expansion of the laboratory in the existing building, including HVAC improvements to improve ventilation to meet OSHA standards. A new building to house the maintenance shop for the Plants Maintenance Division will allow for a more enclosed shop area for equipment repairs and to accommodate additional personnel due to consolidation.

Impact on Operations in Water/Sewer Fund - These capital improvements will not have an adverse impact of the operating costs of the Water and Sewer Fund. Currently, no additional staffing is proposed due to any CIP project, either for construction or ongoing operation. The proposed improvements are needed for upgrading aging infrastructure, providing services to new areas, equipping the system with backup and meeting mandates from State and federal government.

The City participates in extension projects that have an approximate 10-year payback, based on availability of funds in each budget year. During FY2000-01, the City is budgeting \$500,000 for extension projects. Any costs beyond the estimated payback or availability of funds are required to be paid by the developer.

Debt service requirements for the CIP are calculated in the Water/Sewer rate structure. Utility rates including operations and debt service for residential customers are projected to increase an average of 7.80% in FY2000-01.

CAPITAL IMPROVEMENT PROGRAM (FY 2001-05)
GENERAL FUND SCHEDULE

PROJECT DESCRIPTION (\$ 000's)	PROPOSED FUNDING SOURCE	TOTAL PROJECT COST FY 01-05	FIVE YEAR SCHEDULE (FY)				
			2000-01	2001-02	2002-03	2003-04	2004-05
BUILDINGS AND GROUNDS							
City Office Building	General Fund	\$ 142	\$ 24	\$ 33	\$ 85	\$ -	\$ -
Police Headquarters	General Fund	160	10		150		
The Plaza	General Fund	136	30	24	44	20	18
HVAC Repairs to Various Facilities	General Fund	80	80				
Roof Repairs at Fire Department	General Fund	5	5				
Crane Installation/Bldg Upfit Fleet Management Facility	General Fund	60	10	50			
Equipment/Materials Storage Street Division	General Fund	120	30	45	25	20	
Building Improvements- Cemetery Division	General Fund	6	6				
Remodel Bathroom at Fire Station 53	General Fund	45		45			
Equipment Storage/Irrigation Landscaping Division	General Fund	20	20				
Enclose Area for Office Space/Storage-Traffic Operations	General Fund	100		100			
PARKS & RECREATION							
Salisbury Park and Community Complex	Lease Purchase	600	600				
Renovations-Various Parks & Neighborhood Facilities	General Fund	384	116	51	82	53	82
Civic Center Parking Lot	General Fund	15	15				
Salisbury West Recreation Complex	Lease Purchase	400	400				
Sports Complex Renovation	General Fund	215			215		
OTHER							
Construct New Fire Station	General Fund/ Lease Purchase	1,000			1,000		
TOTAL GENERAL FUND			\$ 1,322	\$ 315	\$ 1,516	\$ 93	\$ 100

CAPITAL IMPROVEMENT PROGRAM (FY 2001-05)
WATER AND SEWER FUND SCHEDULE

PROJECT DESCRIPTION (\$ 000's)	PROPOSED FUNDING SOURCE	TOTAL PROJECT COST FY 01-05	FIVE YEAR SCHEDULE (FY)				
			2000-01	2001-02	2002-03	2003-04	2004-05
WATER IMPROVEMENTS							
Water Line Repair/Replacement	W/S Rates	\$500	\$100	\$100	\$100	\$100	\$100
Water Line Extensions	W/S Rates	1,050	250	200	200	200	200
Water Treatment Plant Upgrade	State Loan/ Revenue Bonds	9,175	1,080	5,220		2,875	
Raw Water Force Main & Gravity Lines	GO Bonds/ State Loan	6,000	2,500		3,500		
Finished Water Line to China Grove	Revenue Bonds	2,400		2,400			
Finished Water Line from Granite Quarry to Rockwell	Fund Equity	1,200	1,200				
TOTAL WATER IMPROVEMENTS		\$20,325	\$5,130	\$7,920	\$3,800	\$3,175	\$300
SEWER IMPROVEMENTS							
Line Repair/Replacement	W/S Rates	\$500	\$100	\$100	\$100	\$100	\$100
Sewer Line Extensions	W/S Rates	1,050	250	200	200	200	200
Grant Creek & Town Creek WWTP Upgrade	Revenue Bonds	6,300			2,100	2,100	2,100
Maintenance Building and Lab Expansion	Revenue Bonds	2,319			1,155	1,164	
TOTAL SEWER IMPROVEMENTS		\$10,169	\$350	\$300	\$3,555	\$3,564	\$2,400
TOTAL WATER/SEWER IMPROVEMENTS		\$30,494	\$5,480	\$8,220	\$7,355	\$6,739	\$2,700

